



Department
for Education



Department for
Business, Energy
& Industrial Strategy

Higher Education and Research Bill: Innovate UK

This fact-sheet outlines the rationale for bringing Innovate UK into UK Research & Innovation (UKRI) through the Higher Education & Research Bill, and discusses its role in the new structure; reflecting its current remit and providing protections for its business-facing mission.

What do the reforms mean for Innovate UK?

The Bill establishes a new NDPB – UKRI – which will bring together 9 research and innovation funding bodies, to strengthen the strategic approach to future challenges and maximise the Government's investment in research and innovation. The Bill creates nine Councils within UKRI, each with distinctive focus and remits, who will receive budgets set by the Secretary of State, and who will have delegated autonomy and authority within their discipline. One of these Councils, Innovate UK, will be responsible for helping drive productivity growth across the UK by supporting innovative organisations. We are very clear that **Innovate UK will retain its current business-facing focus**. Innovate UK will not become just the commercialisation arm of the Research Councils.

It is important to stress that the creation of UKRI is not narrowly focused on commercialisation, nor will it distort the focus of Research Councils or Research England – for example unduly shifting the balance away from fundamental research, or on funding excellence.

Innovate UK will be led by an Executive Chair. This will be a powerful position focussed on key strategic planning and decision making in innovation. The Innovate UK Executive Chair will report to the UKRI Chief Executive, who will be the single accounting officer and will lead the overall direction of UKRI across the disciplines. However, Innovate UK's business-facing focus will be enshrined in legislation and it will retain its separate budget. The Secretary of State will consider the need for both academic and business representation on the UKRI Board, and will be able to nominate a member of the Board who would lead in promoting and championing innovation and business interests and providing strategic support to the Innovate UK Executive Chair, also sitting on the council of Innovate UK.

Why is Innovate UK being brought into UKRI?

The Government is committed to making the UK the best place in Europe to innovate, patent new ideas and to set up and grow a business. We need to ensure that research and innovation combine together at the heart of our new Industrial Strategy and maximise the outputs of our science base. Sir Paul Nurse's review of the Research Councils highlighted their already close links with Innovate UK, but also the need to further **strengthen strategic thinking and increase agility**. Before setting out plans for integrating Innovate UK into UKRI we sought stakeholders' views, a large number of whom – both from the business and academic side – saw benefits, and risks, of integrating Innovate

UK into the new body. Our proposals have addressed these and the Higher Education & Research Bill will enact the reforms detailed in the White Paper.

The reforms will benefit both the business and research communities

As highlighted by Paul Nurse, Innovate UK has a great track record of working with Research Councils to deliver maximum impact. By bringing Innovate UK into UKRI we can do even more, while removing unnecessary duplication. Under UKRI they will be able to make even better use of these synergies, to enable seamless support across key technological, economic and societal challenges.

Innovation is a complex, non-linear process, with much innovation occurring business-to-business. However, it is clear that there is not a simple divide between business-led innovation and researcher-led science. There are many areas of common interest, and a wide range of existing joint-programmes. Bringing together research and business-led innovation in this way can be very powerful, increasing researcher's awareness of business needs and creating a smoother pathway to commercialisation. Collaborative projects, supported by Innovate UK, with two or more academic partners have twice the economic return compared to those with no academic partners.

Bringing Innovate UK into UKRI will allow us to remove the barriers to greater joint working between research and business at all levels.

We will strengthen UKRI, by bringing into it Innovate UK's expertise, enabling UKRI overall to develop a much **more powerful approach to strategy**:

- UKRI will combine data and evidence spanning research and innovation and use this to identify the most pressing challenges and opportunities, sensitive to the needs and strengths of our research base and, crucially, our businesses.
- It will make it far easier and quicker to create cross-cutting funds which span research and innovation to address these challenges.
- UKRI will be able to act as a champion for innovation with more weight than Innovate UK alone. This is our best opportunity to ensure innovation is at the heart of UKRI's on-going dialogue with government, as well as domestic and international partners.

We will establish a **more effective and higher impact environment for end users**, including businesses, as well as researchers and universities:

- UKRI will be able to help develop the high level skills required to support future industry and research needs, to ensure the UK remains at the cutting edge, working closely with Office for Students.
- UKRI will be able to look across the current complex translation and knowledge exchange funding landscape in order to ensure it is as simple and easy to navigate as possible.
- UKRI will be better able to support effective brokerage and networking in order to help build collaborative partnerships between universities, researchers, and businesses.

The creation of UKRI will bring benefits to businesses, researchers and to the UK a whole. Businesses will be able to more readily identify possible research partners and will benefit through the better alignment of the outputs of research with business needs. Researchers will benefit from a

greater exposure to business and commercialisation expertise so they can achieve maximum impact. It will be simpler to find and form partnerships, and there will be easier movement between academia and business, as per the recommendations of the Dowling Review of Business-University Research Collaborations. The UK will benefit from a more strategic, agile and impactful approach across UKRI's over £6bn portfolio, which responds to real world challenges and opportunities. **This will ensure research and innovation play their part at the heart of the UK's industrial strategy.**

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